



# SPEE

SOCIETY OF PETROLEUM EVALUATION ENGINEERS

# Newsletter

May 2019

## President's Letter

Greetings from the President of the Society of Petroleum Evaluation Engineers! As the days get longer and as the temperature rises (at least here in Texas), I am quickly reminded how fast the year is moving along. May is already upon us...my, how time flies. With the passing of time, I am reminded that there are few certainties in life. But change is one of them. Like the world around us, SPEE is undergoing change and continues to evolve as an organization. Personally, I am very excited to think about where we have been as an organization and where we are going.

It's hard to believe, but in just over a month SPEE members and guests will be descending upon beautiful Lake Louise for the 2019 Annual Meeting. As SPEE Vice President, **Robert Green** has been working tirelessly to prepare a great conference with exceptional technical presentations, short courses, and social activities. Global Energy Resources for a Global Economy is the broad theme for this year's Annual Meeting, with technical presentations ranging from the Permian Basin to Alberta Securities Commission to Applications of PRMS in Australia. Assessments utilizing probabilistic methodologies and mineral interest valuations will also be discussed. SPEE is also excited to welcome Bradley Olson from the Wall Street Journal as a speaker at this year's conference.

The 2019 Annual Meeting will also include two short courses. This year's conference begins with a short course on Saturday afternoon, providing a discussion on the application of COGEH and its differences with PRMS. For those planning to attend Sunday's short course, don't forget to bring your hiking boots. In addition to a briefing on the geological and cultural history of the Canadian Rocky Mountains, participants will take part in a guided field trip to several unique locations that include a glacier walk and a visit to the third largest landslide in Canada.

As the tradition continues, this year's Annual Meeting will include ample opportunity to catch up with old friends and colleagues throughout the week. Be sure to check out the website for additional information on each of the social events. I look forward to another great conference and hope to see you all there. Don't forget to register before time runs out!

The 2019 Annual Survey of Parameters has now closed with 218 responses. **Steve Hendrickson** and his committee are working to compile the report ahead of the Annual Meeting. Steve will present a summary of the results at the meeting in Lake Louise. Thank you to all who submitted a response and to each of the committee members working on the final report: **Alex Lawrence, Brent Hale, Claudio Virues, David Dillon, Jason Pacholko, Jeremy Xia, Larry Brewer, Letha Lencioni, Lucy King, Michael Zuber, Nora Stewart, Paul Jansen, Paul Taylor, and Mike White.**

In January 2020, SPEE will mark the 10th anniversary for the charter of the Europe Chapter, an accomplishment due to the efforts of countless members in Europe and North America. During that time, the Europe Chapter has grown to be the 5th largest local chapter in SPEE. Today, SPEE continues to grow globally. At the moment, our members reside in 14 countries across 5 continents. This is an impressive milestone that illustrates one of the important ways our organization continues to change and evolve. I am happy to report that we continue to make significant progress towards the formation of new chapters in multiple areas. Thank you to **Antony Corrie-Keilig** for his help in SE Asia, which now includes four members. Additionally, I would like to thank **Federico Dordoni** for his leadership to promote a possible chapter in Argentina. Currently, there are four potential new members underway with the application process and several additional interested candidates. **Anna Hardesty** continues to work with our two members in Colombia, **Ernesto Duran and Fabio Londono**, to develop interest there as well.

As I have mentioned before, membership growth is fundamental to the long-term sustainability of the SPEE organization. It is important to focus on this effort, not just



# 2019 Officers and Directors

## Executive Committee

President ..... Jennifer Fitzgerald (Houston)  
Vice President ..... Robert Green (Midland)  
Secretary-Treasurer ..... Charles Boyette (Dallas)  
Past-President ..... Simon McDonald (Europe)

## Directors

Chuck Boyer (Pittsburgh) Steve Hendrickson (Houston)  
Andrew Forcina (Denver) Attila Szabo (Calgary)  
Steve Gardner (Dallas) Paul Taylor (Europe)  
Rhonda Gathers (Denver) Doug Wright (Calgary)  
Anna Hardesty (Houston) Joe Young (Dallas)

## Bylaws Committees

Chair of Past Presidents' Council ..... Rick Krenek  
Qualifications ..... Neal Howard  
Committee: Steve Blair, Mark Reeves, Danilo Bandiziol and Claudio Virues  
Nominating ..... Floyd Siegle  
Grievance ..... David Gold  
Committee: Dan Olds  
Reserves Definitions ..... Rod Sidle  
Committee: Dave Elliott, John Etherington, Martin Hubbig, Russ Long, John Ritter,  
Rawdon Seager, John Seidle and Tim Smith

## Individual Appointments

Ethics ..... Tom Collier  
Evaluation Parameters Survey ..... Steve Hendrickson  
Fair Market Value ..... Dee Patterson  
Internet ..... Rhonda Gathers  
Membership ..... Andrew Forcina  
Newsletter Coordinator .....  
Communications ..... George Schaefer  
Production Tax Summary and University Interface ..... Marshall Watson  
Recommended Evaluation Practices ..... Daniel R. Olds  
Annual Meeting Advance Planning ..... Tim Smith  
Professional Registration ..... Marcus Snyder  
Monograph 5-Type Curves ..... Gary Gonzenbach  
Technical Training ..... Joe Young  
SPE OGRC Oil and Gas Reserves Committee Observer ..... Ron Harrell  
COGEH (Canadian Oil and Gas Evaluation Handbook) ..... Floyd Williams  
UNECE Expert Group on Resource Classification ..... Dominique Salacz

## Chapter Officers - 2019

### Asia-Pacific - Chapter in Formation

Chairman - Peter Stephenson

### Calgary

Chairman - Mike Verney  
Vice Chairman - Larry Petropolous  
Secretary - Gary Metcalfe  
Treasurer - Tim Freeborn  
Membership - Claudio Virues

### California

Chairman - Brad DeWitt  
Vice Chairman - Rick Finken  
Secretary-Treasurer - Tom Walker  
Membership - John Davis

### Central Texas

Chairman -  
Vice Chairman -  
Secretary - Charles Price  
Treasurer - Gary Gonzenbach  
Membership -

### Dallas

Chairman - Jacob Walker  
Vice Chairman - Brenda Brown  
Treasurer - Tad Fielder  
Secretary - Christina Hilton  
Membership -

### Denver

Chairman - Mike Flanigan  
Vice Chairman - Robert Schutzius  
Secretary-Treasurer - Zack Warren  
Membership - Emily Miller

### Europe

Chairman - Dominique Salacz  
Vice Chairman - Joel Turnbull  
Secretary-Treasurer - John Baillie  
Membership - Tom Gunningham

### Houston

Chairman - Ed Butler  
Membership - Lucas Smith  
Secretary-Treasurer - Ali Porbandarwala  
Program Chairman - Jay Quinn

### Midland

Chairman - Tom Collier  
Vice Chairman - Gail Hankinson  
Secretary-Treasurer - Monica Parkinson  
Membership -

### Northern Rockies

Chairman - Rick Vine  
Vice Chairman - Leo Giangiacomo  
Secretary/Treasurer - Tom Hohn  
Membership - Joe Sinner

### Oklahoma City

Chairman - David Yard  
Vice Chairman -  
Secretary - Bruce Heath  
Treasurer - Steve Blair  
Membership - Don Jacks

### Tulsa

Chairman - Phil Schenewerk  
Vice Chairman -  
Secretary-Treasurer - Laura Stauffer  
Membership Chairman -



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The SPEE Newsletter is a quarterly publication of the Society of Petroleum Evaluation Engineers. News items, correspondence, address changes and advertising inquiries should be directed to SPEE headquarters in Houston, Texas.

in new areas of opportunity, but also in our established local chapters. I am very pleased to report that we have already added 28 new members to SPEE since the end of 2018. So many people have helped to make that happen, from the local chapters and to countless sponsors. A big thank you to **Neal Howard (chair), Danilo Bandizo, Steve Blair, Mark Reeves, and Claudio Virues**, as members of the Qualifications Committee, for helping to process the applications. I continue to encourage each of you to consider your own role in helping to attract and cultivate quality new members. I ask each of you to think about those colleagues who would add to the strength of the SPEE organization and take a personal interest in their recruitment. Don't forget to consider those colleagues who would qualify for Associate Membership. Within the last two years, the number of Associate Members has more than doubled. This continues to be an excellent opportunity to introduce the SPEE organization to a wide variety of new potential members.

I want to thank **Rick Krenek**, chair of COPP, and the other members of the Council of Past Presidents, in particular, **Gary Gonzenbach**, for their efforts in early 2019 to reevaluate the SPEE Long Range Plan. Based on their guidance, the Executive Committee and Board are working to move forward with several initiatives and changes related to this effort to enhance the SPEE organization while continuing to deliver high-quality execution of our mission and objectives. One result of the reevaluation includes the Board taking on an overall assessment of the organization to enhance the experience and opportunities for existing members and potential members alike. The Board will continue to act on several of these items throughout the year.

One area in particular is the identification of volunteer opportunities. As mentioned in the last newsletter, we now have a page on our website that is specifically focused on identifying volunteer opportunities. We continue to add postings as they become available. Currently, we are looking for volunteers in several areas of the organization. As you know, **Richard Miller** has stepped down as chair of the Newsletter after countless years spent shaping the role and content of the newsletter as we all know it today. SPEE continues to seek out individuals who would be interested in working on the development and production of the SPEE Newsletter. Additionally, **George Schaefer**, chair of Communications, and **Marcus Snyder**, chair of Professional Registration, will begin to transition from their current roles. If you are interested in volunteering for one of these opportunities, please reach out to myself or another member of the Board. I want to thank each of these individuals to their continued contributions to the SPEE organization.

In this time of change and growth, we are also excited to announce two new positions. The first is that **Steve Gardner** from the Denver Chapter will begin to transition into the role of Internet chair. **Rhonda Gathers**, current Internet chair, has given tirelessly over the last several years to

support and enhance the SPEE website. I want to thank her for all of her efforts over the years and as she continues to support the role through this transition. And thanks to Steve for stepping into this new role.

Secondly, the Board has decided to reestablish the position of SPEE Historian. I am happy to announce that position will be held by **Melissa Nance**. Melissa is a new member to the SPEE organization who brings a lot of ideas and energy to redevelopment of this important role for SPEE. I encourage you each to reach out to Melissa with your thoughts and stories as she works to chronicle our history and milestones. As we embrace the change ahead of us, I think it is important to remember who we are as an organization and where we come from.

I'd like to leave you now with a few final thoughts about change. I find myself reflecting about the very tragic and unfortunate fire at Notre Dame Cathedral. Just two short years ago, I was fortunate enough to take my first trip to Paris days after the London Annual Meeting. As I watched the news from afar, I thought of my own visit to Notre Dame, thankful for an opportunity to experience the beauty and the feeling of awe that comes when you see it for the



first time. I realized that experience will never be the same again for myself and so many others. That being said, I am also very hopeful to consider the possibility of what will be in the years to come now in this phase of rebuild and growth for the Cathedral. I believe the SPEE organization is also in a phase of rebuild and growth. The path ahead includes new challenges and opportunities where we must embrace the future and continue to reflect on and remember the past. My hope for SPEE and for each of you is that we are bold enough to embrace the change ahead of us, remembering to marvel at the site and to welcome the new challenges and opportunities. Best wishes to each of you and I look forward to seeing you all soon.

**Jennifer Fitzgerald**  
SPEE President

# Chapter News

## Asia Pacific

The AP chapter is progressing, we now have six members covering Australia, Indonesia, Singapore and Kazakhstan and interest from India. We have two further members currently being assessed by the Qualifications Committee. We have also formed an interview committee and have two interviews for membership scheduled in May 2019. For those that are mathematically minded, you will deduce that the AP Chapter should have the magic number of 10 members by the Q3 this year and hence will become an official Chapter. We sincerely thank the members of SPEE for their ongoing support in making this a reality.

In addition, the AP Chapter chairman, Peter Stephenson, has recently been appointed a co-chair at the upcoming SPE Workshop: Reserves and Resources Estimation 24–25 July 2019 in Perth, Australia, and the AP Chapter has been in touch with the SPEE Monograph 5 committee to present an update on SPEE Monograph at the workshop to raise the SPEE profile in Asia Pacific, noting we have regulators from Indonesia (BP Migas) and Australia (ASX) present.

## Calgary

In 2019, the Calgary chapter has been reviewing COGEH for a few limited updates/changes. Changes to COGEH are expected by July 2019 and will only be completed in a redline document so that users of the handbook will not need to review the entire handbook when a revision is made. The following is being discussed: forecast price assumptions (are they really best estimates?), uneconomic or marginally economic properties, full abandonment and reclamation cost inclusion in reserve reports and what can be excluded from a reserve report.

*Meetings - 3rd Tuesday of each month except June, July and August. Membership - 57*

## California

*Membership - 15*

## Central Texas

*Membership - 27*

## Dallas

The Dallas Chapter hosted its fourth luncheon meeting of the season on March 28. Erika Coombs, Manager of Consulting Services at BTU Analytics, presented an insightful talk on *Market Whiplash: Price Drivers in 2019*. Ms. Coombs discussed, among other topics, how US demand growth is geographically concentrated on the Gulf of Mexico as LNG facilities begin commissioning and commercial service. There were 38 attendees.

May 2, 2019: Dr. Tom Blasingame, Texas A&M University, *Reservoir Engineering Aspects of Unconventional Reservoirs*.

*Meetings - Bimonthly from September through May at the Brookhaven College Geotechnology Institute. Membership - 67*

## Denver

On April 10, the Denver Chapter held its second luncheon meeting of 2019 with 79 in attendance - 30 members and 49 guests. The speaker was Mr. Chris Wright, CEO and Chairman of Liberty Oilfield Services, speaking on *The Intimate Link between Health and Hydrocarbons*. Chris asserted that the world's most lethal pollutant is particulate matter which is concentrated mostly in poorer nations whose inhabitants continue to burn biomass for fuel. The last 200 years have seen unparalleled progress in the human condition with life expectancy doubling from 35 to 72 years accomplished by wealthier nations shifting their energy sourcing from biofuels to hydrocarbon-based fuels. Over the last 25 years, 130,000 people per day have been lifted from extreme poverty. Further human progress is now facing new headwinds from a myopic focus on climate change and a "renewables-only" push by IMF, WHO and "generous" western governments. Chris further postulated that western governments in efforts to reduce greenhouse gas emissions should not limit people's energy choices as doing so will keep more people in poverty and will harm the environment far more than climate change. Rather, empower people now with cheap and abundant energy to save lives, forests, air quality, and water quality.

*Meetings - 2nd Wednesday of first month of each quarter - Denver Athletic Club - The New Petroleum Club. Membership - 72*

## Europe

### Overview

The European Chapter is now into its 10th year after being given full chapter status in January 2010. The present chapter officers were elected at the Europe Chapter annual general meeting (AGM) held in during the last 2018 meeting.

The number of members to date are 38 with another two applications being considered.

In 2019, the chapter plans on having four meetings, with lectures based on the following focus:

- Meeting 1 – Thursday 28th March: Guidelines & regulations (see below)
- Meeting 2 – Thursday 20th June: operator's point of view
- Meeting 3 – Thursday 5th September: finance & investors
- Meeting 4 – Thursday 21st November: Ethics

## Chapter meeting

The Europe Chapter has held the first meeting of the year in London at the October's Gallery on Thursday the 28th of March. The meeting gathered about 16 members and non-members in London plus three people joining through Skype. Tom Gunningham (Rockflow) kindly accepted to be our speaker for the night and provided a great presentation titled: *SEC Correspondence: A Minefield of Information*.

Tom provided a brief background of the SEC as an institution. He explained who are actually the "rule makers" and the (very few) Petroleum Engineers working behind the scene. The purpose of the talk was not to discuss the actual SEC rules. The key links to relevant websites were provided, such as:

- Code of federal regulation, for the relevant S-X rules
- Modernization of O&G reporting documents
- Information about Compliance and Disclosure interpretations

The key points discussed were: (i) Who is actually concerned by the SEC? (ii) What can actually trigger an investigation? And, (iii) What information is available for companies concerned about reserves evaluation under the SEC???

The two main search engines used to screen SEC comments letter are usually EDGAR (from the SEC) or the SEC Seeker from Ryder Scott. While it is important to note that those letters are only provided for information (ref SEC website), they still provide a valuable guidance for the evaluators.

The examples discussed during our meeting were:

- Miller Energy 2016
- Penn West Petroleum 2018
- Norstra Energy Inc 2015
- Centor Energy Inc 2018

Before closing the meeting, a case study was submitted for discussion to the attendees. The example was based on the case presented at the SPE PRMS workshop in Abu Dhabi in February 2019. The original file was provided by Danilo Bandiziol (courtesy of Bernard Seiller and Xavier Trussaut, Total) and the conversation focused on the maturation axis, and the conditions required to "upgrade" Contingent Resources to Reserves in specific cases: development plan, infill wells, water injection & EOR scheme.

*Meetings - Four per year. Membership - 38*

## Houston

Houston Chapter has three new members and one member upgraded from Associate to Full membership.

The March 6th meeting featured John Howie, Senior Vice President, Upstream – Tellurian Inc. He provided a history of LNG as well as a current view of the LNG market, as well as about Tellurian's major assets as well as their business model.

The April meeting topic was *Using Comparative Inventories to Predict Oil Prices* presented by Art Berman, a petroleum geologist with 40 years of oil and gas industry experience.

The May meeting will be on ethics, professionalism and reserves presented by Jorge Faz, Senior Reserves Consultant-Geosciences, with Occidental Petroleum Corporation.

*Meetings – 1st Wednesday of each month except June, July and August – Houston Petroleum Club. Membership – 178*

## Midland

### 2019 Chapter Officers:

President: Tom Collier  
Vice-President: Gail Hankinson  
Secretary/Treasurer: Monica Parkinson  
Membership: Russell Hall

The Midland Chapter hosted a presentation by Joel Castello entitled *Valuing Undeveloped Interest in Active Shale Plays*. Thirty people attended.

The next Midland Chapter luncheon will take place on May 8th.

*Meetings – 2nd Wednesday odd months at 11:30 a.m. – Midland Petroleum Club. Membership - 24*

## Northern Rockies

*Membership – 13*

## Oklahoma City

We were honored, once again, to have Dwayne Purvis (Consultant/Speaker/Writer) speak at our January 2019 meeting on the topic of *The Engineer as Craftsman*, which I must say was excellent. We had 33 in attendance.

In February we had Akash Sharma of the DI Analytics and Market Intelligence teams on *Improving EUR Estimation in Unconventional Reservoirs*. We had more favorable comments on this presentation than any in my four years as chairman. Great job, Akash, and highly recommended for other SPEE chapters. We had 33 in attendance.

In March we were honored to have John Spears (Spears and Associates) present us with his *Oil and Gas Outlook for 2019*. Always a great meeting and a special thank you for your support over the years. See you next year! We had 48 in attendance.

On April 25, Brian J. Cardott (OU) will speak on *Oklahoma Shale Resource Plays*. Brian, in my opinion, is a leading expert in the field thermal maturation and hydrocarbon source potential, which is so important for proper evaluation of economic opportunities.

And rounding out our year with our May 23rd meeting, we will have PK Verleger whose focus is the economic behavior of energy and commodity markets as deduced from economic theory and analysis. He will address IMO2020 and its potential effect on oil prices.

*Meetings – Every odd-numbered month. Membership - 19*

## Tulsa

*Meetings – Four times yearly - Summit Club. Membership – 21*



## *56<sup>th</sup> Annual Conference*

*Fairmont Chateau Lake Louise, Alberta, Canada ~ June 8-11, 2019*

### TECHNICAL & SOCIAL PROGRAM:

“**Global Energy Resources for a Global Economy**” is the broad theme for this year's Annual Meeting. Technical events include a Sunday full day field visit to study the Canadian Rocky Mountains. There is a special opportunity on Wednesday to visit the Trilobite outcroppings of the Burgess Shale (a UNESCO World Heritage site). Both trips include lectures by local experts, The Calgary Chapter is presenting a Saturday Short Course on COGEH. Monday and Tuesday are packed with technical sessions. There will be opportunities to network and socialize during group and guest activities, social events and the Monday evening Gala and Awards Dinner.

For the complete conference agenda, information regarding transportation and activities and to register, visit our website [www.spee.org](http://www.spee.org) to register.

### SCHEDULE AT A GLANCE (SUBJECT TO CHANGE)

#### Friday, June 7

- Committee Meetings

#### Saturday, June 8

- Committee Meetings
- Half-Day Short Course: COGEH Training
- Social Activity: Afternoon High Tea
- Informal Happy Hour

#### Sunday, June 9

- Full-Day Short Course: The History of the Canadian Rockies Field Trip
- Social Activity: Jewelry Making Workshop
- Welcome Reception/BBQ Dinner

#### Monday, June 10

- Technical Sessions
- Spouse/Guest Activity: Snapshots of Lake Louise – Photo Workshop for Smart Phones
- Social Activity: Banff Tour and Gondola
- Cocktail Reception
- Gala and Awards Dinner

#### Tuesday, June 11

- Technical Sessions

#### Wednesday, June 12

- Optional Activity – Mt. Stephen Trilobite Beds Hike, an all-day Field Trip



## 56<sup>th</sup> Annual Conference

Fairmont Chateau Lake Louise, Alberta, Canada ~ June 8-11, 2019

### HOTEL ACCOMODATIONS

Fairmont Chateau Lake Louise offers SPEE group rates from Friday, June 7<sup>th</sup> to Wednesday, June 12<sup>th</sup>, 2019 starting from CAN\$439 upward depending on room size and location, plus taxes and fees. The room rate will also carry an add-on of CAN\$15 daily resort service fee which includes all Bellmen, Valet and Housekeeping gratuities as well as the following services: complimentary Wi-Fi, complimentary fitness classes, free local and 1-800 calls, 24-hour Business Center access, and Lake Louise village and Ski Resort shuttle.

The Fairmont Chateau Lake Louise has confirmed a number of special rates and room blocks for SPEE. The majority of rooms fall into three types:

- Deluxe Mountainview Rooms in the original building
- Deluxe Lakeview Rooms in the original building
- Deluxe Mountainview Rooms in the Mount Temple wing

The Mount Temple wing is new, modern and has larger guest rooms (445 sq. ft. vs 370 sq. ft.), but limited lake views. The conference facilities are in the Mount Temple wing. The spouse/guest activities and the Gala Dinner are in the original building.

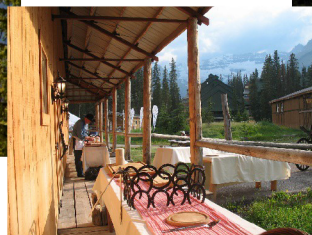
Before making your room reservations we encourage everyone to visit the Fairmont Chateau Lake Louise website to examine the room options. <https://www.fairmont.com/lake-louise/>

A dedicated booking website is available for the SPEE Annual Meeting. Attendees can make, modify and cancel hotel reservations online at

<https://aws.passkey.com/go/spee56thannualmeeting>.

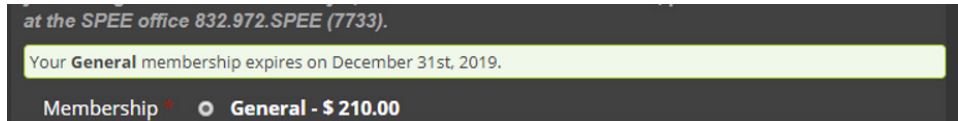
For attendees who prefer to reserve via phone, a dedicated group desk is available at **1-403-522-1830** or **1-800-441-1414**. Please mention the group name "SPEE 56th Annual Meeting" when making reservations.

**Reservation requests must be made by May 7, 2019.**



## SPEE Website News

If you are unsure whether you have paid your membership dues, you can go to the online membership dues payment page when logged in to the website. At the top of the page before the dues amounts, there is a highlighted field that says “Your General (Associate or Retired) Membership expires on December 31, 2019.” If that date does not read 2019, then you have not paid.



If you have had trouble accessing the SPEE website from your work computer using Internet Explorer 10 or 11 with Windows 7, we recommend using Chrome or Firefox web browsers. Many companies are still running their servers off older software compatible only with Windows 7 connected PCs. With our new website host upgrades performed late last year, our website can no longer be accessed using Internet Explorer with the older versions of Windows. But you may still access our website from your work computer using Chrome, Firefox or other if you encounter this issue. We apologize for the inconvenience. Microsoft is recommending that you discontinue use of Internet Explorer where you can.

We would like to extend a gracious welcome to Steve Gardner from the Denver chapter onto our internet committee this year! He will be rolling into our chairmanship position in 2020. He will be learning the ropes of all things SPEE internet in the coming months.

And finally, we will be rolling out our updated website “look” by the end of April we hope. It may be up by the time you receive this newsletter. Please let us know if you see any issues with navigation, readability, etc... in the coming weeks and we will fix it promptly.

The address of the SPEE website is [www.spee.org](http://www.spee.org). If anyone has any website suggestions, comments or questions, please feel free to email us at our group inbox, [info@spee.org](mailto:info@spee.org).

**Rhonda Gathers**  
Internet Committee Chair

A cartoon illustration of a man in a brown shirt and black pants, holding a clipboard and a pen, standing next to a calendar. The text "PLAN AHEAD" is written in large, bold, red letters. Below the illustration, the text "SPEE Annual Meetings" is written in bold black letters. Underneath, three dates and locations are listed: "June 8-11, 2019 - Banff National Park, Alberta Chateau Lake Louise", "June 13-16, 2020 - Gurney's Resort and Marina Newport, Rhode Island", and "June 12-15, 2021 - Omni Grove Park Inn Asheville, North Carolina".

**PLAN  
AHEAD**

**SPEE Annual Meetings**

June 8-11, 2019 - Banff National Park, Alberta  
Chateau Lake Louise

June 13-16, 2020 - Gurney's Resort and Marina  
Newport, Rhode Island

June 12-15, 2021 - Omni Grove Park Inn  
Asheville, North Carolina



# Qualifications Committee

“We are from the Qualifications Committee and we are here to help.”

Acknowledging that this Ronald Reagan mis-quote is sometimes the experience of applicants and sponsors, we would like to dispel that notion with some explanations and recent data.

The Qualifications Committee (QC) is appointed by the Executive Committee to review applications, recommend action on those applications, and study/recommend changes in qualifications requirements. One example of recent changes is the implementation of the Interview Method of sponsorship, where applicants with minimal exposure to SPEE membership in their work experience can sit down with an SPEE member and explain their work history and demonstrate their qualifications. I believe this has led to an increase in membership among those who work in a production company situation or find themselves in a more remote location. If you attend an SPEE luncheon when an applicant asks you to help them in their application by being an interviewer, please take the time to do so. We are working with Membership to develop a guide for interviewers that should give you the tools to conduct an efficient interview.

We also understand that it sometimes seems as though the QC process takes a long time. In calendar year 2018 we received 36 new applications for full membership. The average time from when the Chair received the application to when it went out to the QC as a whole was 16 days. The average time for the top 80% of these applications was three days. Those that skewed the average up usually required additional detail from the sponsors, new sponsors if the detail could not be provided by the original sponsors or clean-up of mistakes by the applicant. The majority of those mistakes had to do with responses in the licensing requirements section of the application.

The internal QC process takes some time for the five of us to agree upon a recommendation to the Executive Committee and send that recommendation forward. The average response time was 21 days for all of the applications, and the quickest 80% averaged 14 days. Sometimes our vacation schedules and day jobs slow us down.

Overall, the QC process averages 37 days from receiving the applications to forwarding a recommendation. The quickest 80% of the applications average 17 days. Beyond the QC, the process involves Executive Committee review and final decision on each applicant, publication of names in the newsletter and a 30-day comment period, all of which adds some time. We are working to see how to make the entire timeline shorter, maintain the integrity of the process, and grow the qualified membership for years to come.

<u>QC Process Step</u>	<u>Best 80%</u>	<u>All Applications</u>	<u>Root Causes of Delta</u>
QC Chair Vets Completed Application	3 days	16 days	More Sponsor detail needed New Sponsor needed Application clean-up/questions
QC Reviews Application and Forwards to ExCom	14 days	21 days	QC Member schedules and discussions
<b>Total QC Process Time</b>	<b>17 days</b>	<b>37 days</b>	

**Chair – Neal Howard**  
**Members – Steve Blair, Mark Reeves, Danilo Bandiziol, Claudio Virues**

## THE ETHICS COLUMN

### Don't Leave the Annual Meeting Early!

We have a first-rate ethics talk in store for you at the 56th Annual SPEE Meeting at the Fairmont Chateau Lake Louise from June 8 -11. Andrea Kim is back by popular demand to present this year. Many will remember her talk at the Lake Tahoe Annual Meeting. What makes her viewpoint so valuable, is that where the typical ethical talk presents hypothetical situations involving ethical people, Ms. Kim's role as an attorney who is often tasked with "finding the money" puts her in direct contact with ethical behavior run amok. Rather than the typical "what would you do if..." talk, she takes on the "why, exactly, did you do that?" For those of you making your travel plans for the Annual Meeting, pay particular attention to the June 11th schedule and do not cut your time short. If you cannot find a way to stay for the entire Tuesday session without traveling back on Wednesday, then by all means travel back on Wednesday. You will have the bonus of another night in the Canadian Rockies. You can thank me later.



That is a win-win. I am looking forward to seeing you there.

### My Job Is to Lie – Your Job is to Catch Me

With Stanley Cup finals underway, a hockey analogy seems in order. Can we look at the interplay between asset owners and third parties as who is shooting and who is in goal. Or is it something different entirely?

"I never thought the third-party engineers would believe it. I certainly didn't when I presented it." This quote is from a long time ago, not quite when today's unconventional were a muddy seashore, but back when oil wells traveled straight down and reservoirs had permeability. It was the response of an engineer to a question from senior management as to why a certain project appeared in an independent third-party report included in an asset sale data room but did not appear as part of that asset's proposed budget.

I use this not to impugn the integrity of any of the players in this little vignette, but to focus our attention on the subjects of responsibilities and communication between the owner's petroleum evaluator and the third-party petroleum evaluator. This vignette does, however, represent a breakdown in those communications.

As to responsibilities, both evaluators had similar remits. Both were tasked with preparing their assessment of the hydrocarbon potential for the asset. The principal difference was in their purposes. The owner's evaluator was principally to advise the owner on the value of the assets. The third-party report was to give prospective bidders a level of comfort and perhaps something with which to begin the financing process. Both parties in this vignette did exactly what they were charged to do.

Where this story invites improvement is in the communication dynamics between the owner's petroleum evaluator and the third-party petroleum evaluator. Recognizing that petroleum evaluators often reach different conclusions, the exchange between the two should be one of discussion and exploration of those differences. The owner's petroleum evaluator should be putting forth projects and estimates that they believe are correct. Similarly, the third-party petroleum evaluator should do likewise and providing a report that reflects their view of the assets and not simply a reduction applied to the owner's assessment.

My illustration is from bygone days, and the comment was from an exasperated engineer attempting to steer budget funds into projects they felt were less risky. My last experience with this dynamic, although not as severe, is much more recent. Returning to my hockey analogy, are we shooting on goal against the third party or are we passing the puck between us to get the best shot?

**Deacon Tom Collier**  
**Chair, SPEE Ethics Committee**

# Welcome New Members

## Asia Pacific Chapter in Formation

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## Calgary Chapter

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## Denver Chapter

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## Houston Chapter

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**Worms, Dalton M. (Associate)** Member No. 983  
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## Midland Chapter

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## Status Upgrade from Associate to Full Member

**Liu, Baozhong (Paul)** Member No. 868  
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# Membership Applicants

The following member applicants have been processed by the Qualifications Committee. The by-laws require that names be presented to the membership for at least 30 days as a pre-membership requirement. Any member with an objection should address the objection to the Executive Committee (see by-laws regarding other important details) since the applications have already passed through the Qualifications Committee.

APPLICANT	SPONSOR	APPLICANT	SPONSOR
<b>Chona, Oscar</b> Principal Reservoir Engineer-Exploration, Development And NBD Latin America Shell Oil Company 150 N. Dairy Ashford Rd Houston, TX 77079	Markus Klingbeil Peter Zannitto Paul Taylor	<b>Madison, Emily</b> Contract Reservoir Engineer Verdad Resources LLC 1401 17th Street, Suite 925 Denver, CO 80202	Andrew Forcina Emily Miller Marc Schutt
<b>Huzzey, Thomas</b> Vice President of Engineering Mizpah Energy 15355 W. Vantage Parkway Houston, TX 77032	John Ritter Jorge Faz Steven Davis	<b>Rollefstad, Staci</b> Petroleum Evaluation Engineer Alberta Securities Commission 600, 250-5 Street SW Calgary, Alberta T2P 0R4 Canada	Tim Freeborn Keith Braaten Jodi Anhorn